

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401
Minutes of Meeting of Board of Directors
May 20, 2024

The Board of Directors of Harris County Municipal Utility District No. 401 met at Staybridge Suites, 10011 Farm to Market Road 2920, Harris County, Texas 77385, on May 20, 2024, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

Blair Fesler, President
Mark Atchison, Vice-President
Santee Wright, Secretary
Roland Massey, Assistant Vice President/Secretary
Jordan Thomas, Assistant Vice President/Secretary

and all of said persons were present, thus constituting a quorum.

Also present were Andres Aranzales of Vogler and Spencer Engineering, Inc. ("V&S"); Scott Shelnett of Municipal Operations & Consulting, Inc. ("MOC"); Les Griffith of Champions Hydro-Lawn, Inc. ("Champions"); Angela Riley of District Data Services; Robin Goin of Bob Leared Interests, Inc.; Deputy Santos and Corporal Cowan of Harris County Constable's Office ("HCCO"); and Kara Richardson of Marks Richardson PC ("MRPC").

The President called the meeting to order.

SECURITY PATROL

As the first order of business, the Board considered the report from the HCCO regarding security services in the District. Corporal Cowan introduced himself to the Board. He then reviewed the Patrol Statistics, a copy of which is attached hereto as Exhibit A. Corporal Cowan stated that HCCO continues to receive reports of gunshots from the Sugarberry neighborhood. He stated that HCCO will be deploying a drone next week for nighttime surveillance. Director Atchison then advised the officers of the new cameras. Corporal Cowan reminded the Board of the vacation watch that is available from HCCO and noted that you can request vacation watch through the C4 app.

Deputy Santos and Corporal Cowan exited the meeting at this time.

PUBLIC COMMENT

The Board next considered comments from the public. No one present had anything new to report.

ACCEPT QUALIFICATION STATEMENTS AND OATHS OF OFFICE

The Board next considered the acceptance of the Oaths of Office ("Oath") and Statements of Elected Officer ("Statement") for Directors Fesler, Wright and Massey. Directors Fesler,

Wright and Massey took their Oaths and executed their Statements. Ms. Richardson advised that the Oaths will be filed with the Secretary of State in a timely manner. Director Thomas made a motion to accept the Oaths and Statements for Directors Fesler, Wright and Massey and to declare them re-elected for a four-year term. Director Atchison seconded the motion, which carried unanimously.

The Board next considered the election of officers of the Board of Directors. After discussion, Director Wright made a motion to re-elect all current officers of the Board to the position each currently holds. Director Atchison seconded the motion, which carried unanimously.

APPROVE MINUTES

The Board considered approval of the minutes of the Board meeting held on April 15, 2024. After discussion, Director Atchison made a motion to approve the minutes of the meeting of April 15, 2024, as presented. Director Thomas seconded the motion, which unanimously carried.

BOOKKEEPING REPORT

The Board reviewed the bookkeeper's report received from District Data Services dated May 20, 2024, a copy of which is attached hereto as Exhibit B. After discussion, Director Atchison made a motion to approve the bookkeeper's report and to authorize payment for the invoices listed therein. Director Massey seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Goin presented and reviewed the tax assessor-collector's report dated April 30, 2024, a copy of which is attached hereto as Exhibit C. After discussion on the report presented, Director Atchison made a motion to approve the tax assessor-collector's report, and to authorize payment of the checks listed therein. Director Thomas seconded the motion, which carried unanimously.

DELINQUENT TAX REPORT

Ms. Richardson next presented the delinquent tax report dated May 20, 2024, by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP, a copy of which is attached hereto as Exhibit D.

FACILITY SITE MAINTENANCE

Mr. Griffith presented and reviewed a detention and drainage facilities report from Champions, a copy of which is attached hereto as Exhibit E.

Director Atchison stated that there were some complaints about high grass following recent heavy rain events and concerns regarding snakes. He stated that he posted on the District's Facebook page about it being a natural area. Mr. Griffith stated that the subject area is mowed once per month.

ENGINEER'S REPORT

Mr. Aranzales presented and reviewed the Engineer's Report, attached hereto as Exhibit F.

Mr. Aranzales reported on Water Plant No. 1, Well No. 2. He stated that the District received approval from the Texas Commission on Environmental Quality (the "TCEQ") on the six-month (6) water quality report and that V&S will resubmit a twelve-month (12) water quality report by October 2024.

Mr. Aranzales reported on the status of the construction contract with C&C Water Services for the Water Plant No. 1, Well No. 1 Rehabilitation. He stated that construction is complete, and Well No. 1 will be exercised regularly to prevent methane gas build up. The Board requested that the item be removed from the agenda hereafter.

Mr. Aranzales reported that the outflow areas do not seem to have graffiti anymore but there is a small amount located on the interceptor structures. Mr. Shelnuttt stated that MOC will power wash the two interceptor structures to remove the graffiti.

Mr. Aranzales reported that the Willowcreek Dam was washed away in the recent rain events so removal is no longer needed.

Mr. Aranzales reported on future recreational projects in Albury Trails Estates and Reserve at Inverness. Ms. Richardson noted that she has been unable to reach the Hooks family regarding the potential donation of the property to the District for development into a park and/or trails.

Mr. Aranzales reported that the gate post at the Water Plant is leaning and needs a new post foundation. Mr. Shelnuttt stated that MOC will investigate the issue.

The Board next discussed the gates not working during the recent storm. Mr. Aranzales stated that Wright Solutions came out and repaired one of the gates at the WWTP the day following the storm. Director Atchison asked whether there is a way to open the gate when there is no power. Mr. Shelnuttt stated that he will research the matter.

Mr. Aranzales reported on the flushing plan update. He stated that V&S is waiting on MOC to perform the valve and hydrant survey prior to executing the flushing plan. Mr. Aranzales also stated that the Board was provided the GIS license user name and password in a confidential email.

REVIEW AND APPROVAL OF RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS

The Board next deferred consideration of the review and approval of a Resolution Authorizing Application to the Texas Commission on Environmental Quality ("TCEQ") for the Use of Surplus Construction Funds to later in the meeting.

OPERATIONS REPORT

Mr. Shelnuttt presented and reviewed the operations report for April 2024, a copy of which is attached hereto as Exhibit G. He reported that the District accounted for 96% of the water

pumped during the month of April and that the District's facilities operated in compliance with its respective permits during the month.

The Board next considered approval of the Consumer Confidence Report and authorization to distribute same to District customers. After discussion, Director Thomas made a motion to approve the Consumer Confidence Report, subject to MRPC's review and approval, and to authorize the operator to include a link on water bills to District customers. Director Atchison seconded the motion, which passed unanimously.

Mr. Shelnett presented a quote in the amount of \$4,250 for the installation of a sprinkler system on Wixford Lane. After discussion, Director Thomas made a motion to approve a quote in the amount of \$4,250 for the installation of a sprinkler system on Wixford Lane. Director Atchison seconded the motion, which unanimously carried.

Mr. Shelnett then discussed replacing certain meters in the District. He stated that five hundred eleven (511) meters need to be replaced. Mr. Shelnett then stated that the newer electronic style which is more advanced and has a ten (10) year warranty and costs \$120 per meter or \$61,400 for all 511. The Board then discussed the meters that are not compromised and if there is something that should be done regarding those. Mr. Shelnett advised that the Board might go ahead and ask the TCEQ to approve funds for the eventual replacement of all since more will likely fail. The Board then agreed to request TCEQ approval for the use of surplus construction funds to fund the replacement of meters. After discussion, Director Thomas made a motion to approve the replacement of meters to the newer electronic style at a cost of \$120 per meter for 511 meters at \$61,400. Director Atchison seconded the motion, which unanimously carried.

The Board next considered the review and approval of a Resolution Authorizing Application to the TCEQ for the Use of Surplus Construction Funds to fund the replacement of all meters in the District for the approximate amount of \$150,000. After discussion, Director Thomas made a motion to approve a Resolution Authorizing Application to the TCEQ for the Use of Surplus Construction Funds, and to authorize the President and Secretary to execute same on behalf of the Board and the District. Director Atchison seconded the motion, which unanimously carried.

Mr. Shelnett reported that the generators came on and worked well during the windstorm last week.

Mr. Shelnett reported that the water pressure increased in the District's water system.

Mr. Shelnett reported that MOC will need to perform a valve survey in order to complete the directional flushing. He stated that MOC completed some of the valve survey last week on Douchfour due to a water quality complaint. Director Atchison asked if there is training needed for MOC staff in order to implement the flushing plan. Director Thomas suggested that V&S coordinate an intern to assist MOC with implementation of the flushing plan. Mr. Aranzales stated that he could arrange same. Director Wright suggested sending a message to residents regarding the flushing in the District. Mr. Aranzales agreed to coordinate with MOC to prepare a schedule which then can be sent out to residents. Director Wright stated that there has been a bad smell in the water recently. Mr. Aranzales stated that there is a lot of methane gas with the new well pump, but assured the Board that the water is safe to drink. He stated that MOC conducted water quality

tests which showed all is good. Director Wright asked how often MOC does the flushing. Mr. Shelnutt stated that MOC conducts the flushing periodically, but with dead ends once per month and all hydrants once per year. Mr. Aranzales stated that directional flushing can be done every five (5) years as it is very expensive. Mr. Shelnutt then discussed the well odor scrubbers and noted that he will have information for the Board regarding same next month. After discussion, Director Thomas made a motion to authorize MOC to perform the valve survey prior to the directional flushing.

APPROVE CONSUMER CONFIDENCE REPORT

The Board deferred approval of the Consumer Confidence Report and authorization to distribute same to District customers as same was discussed earlier in the meeting.

UPDATE FROM TOUCHSTONE DISTRICT SERVICES

The Board next considered an update from Touchstone District Services. Director Wright requested that the Board approve having Touchstone conduct drone footage of the District for approximately \$900 to add to the District's website. After discussion, Director Atchison made a motion to approve Touchstone conducting drone footage of the District for approximately \$900. Director Massey seconded the motion, which unanimously carried. The Board then agreed that Touchstone go live with the District's website. The Board agreed that the website go live now.

ITEMS FOR FUTURE AGENDAS

The Board next considered items for future agendas.

ADJOURN

There being no further business to come before the Board, the meeting was adjourned.

Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
May 20, 2024

- A. Patrol Report
- B. Bookkeeper's Report
- C. Tax Assessor-Collector Report
- D. Delinquent Tax Report
- E. Detention and Drainage Facilities Report
- F. Engineer's Report
- G. Operations Report and related handouts